

Budget Analysts

13 September 1951

Chief, Budget Division

Instructions for reflecting provision for miscellaneous OI costs for fiscal year 1953 in the Budget Bureau submission

1. Inasmuch as the 1953 estimates as submitted by the offices reflect only a 3.1 percent lapse on the base personnel due to turnover, it will be necessary to (1) include provision for additional miscellaneous OI costs for base personnel in fiscal year 1953, and (2) full miscellaneous costs required for new positions planned in the estimates.

2. Adjustment for OI costs for base personnel -- We have analyzed each of the elements affecting OI costs over and above that presently reflected in the base on Exhibit 3, including net cost of new within-grade salary advancements, excess pay (there is one extra day in fiscal year 1953) and lump sum leave. We, in turn, have determined the savings which will result from turnover and have found that, considering all of these factors, no net savings should be forecast for fiscal year 1953, as the additional cost factors indicated above will offset the 3.1 percent lapse due to turnover. Therefore, the following adjustments should be made as indicated prior to the processing of material for the Budget Bureau:

a. Restore the lapse percentage of 3.1 percent shown in the office estimate. This adjustment should be reflected as follows on Exhibit 3 as corrections to:

(1) Line 2a, "Cost" only (Correct to show same amount as estimated on Line 2a for "Total annual salary). No change should be made in the A.E. figure as a lapse of 3.1 percent in position occupancy should be anticipated due to turnover.

(2) Line 3, revised cost increase (revised Line 2c less Line 1.)

(3) Post corrected amount to the Activity or Project Tabular Statement in the column headed "to provide on a full year basis for 30 June 1952 level of operations."

3. Provision for miscellaneous cost of new positions (Note: No provision is necessary for within-grade on new positions, and in addition, it is assumed that any turnover lapse on new filled positions is reflected in the 50 percent lapse) -- To make provision for miscellaneous costs of any new positions reflected on Exhibit 3 for each activity, the analyst should:

a. Compute overtime costs based on present average (same as that used in computing overtime for base personnel.)

b. Compute provision for excess pay (1/200 of total 1953 annual rate of new positions) computed as .35 percent of the total

annual salary shown on line h of Exhibit 3.

c. Compute any necessary provision for living and quarters allowances and night work differential unless already included in the office estimate for the new positions.

d. The total of a, b and c above should be added as a single line entry in section h of Exhibit 3 in the cost column only and the total cost for the additional positions revised accordingly.

e. The total cost, as indicated on line 6 of Exhibit 3, should then be corrected to reflect adjustments made on line 2 and line h.

f. The additional miscellaneous costs reflected on line h should be posted to the appropriate financial requirements sections of the justification as a single line entry after the listing of the positions, with the description "miscellaneous costs." The "Total - Personal Services" in this section should be revised accordingly as well as the amount reflected after "Total increase, 1953." Appropriate adjustments should also be made where necessary in the justification material, the "other change" and "Total" columns of the activity statement, and in the object class summaries.

h. The above plan assumes:

a. That Exhibit 3 will be used as a working sheet for these computations and will be maintained by the analyst as a basic record in his set of the office estimates, and

b. That the posting of the indicated corrections to the analysts' copy of the activity statement, the justifications and the object class summaries will serve as final copy for review and processing of the Budget Bureau material. This will obviate the necessity of retyping the material before final review, except in those instances where it is absolutely necessary to provide new copy because of the extent of changes involved.

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cc: Mr. Saunders

